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SUBJECT: KAZAKHSTAN: PRESIDENT NAZARBAYEV DISCUSSES
ECONOMIC AND POLITICAL COOPERATION WITH IRANIAN PRESIDENT

REF: A. ASTANA 0601
[1](#)B. ASTANA 0604

[1](#)1. (U) SUMMARY: Iranian President Mahmud Ahmadinejad visited Astana April 6-7, where he met with President Nazarbayev, participated in several ceremonial events, and gave a speech at a local university. During a joint press conference following the Nazarbayev-Ahmadinejad meeting, Ahmadinejad described Kazakhstan-Iran relations as &fraternal and close.⁸ Nazarbayev said that Iran had a right to the peaceful use of nuclear energy. He also announced Kazakhstan's offer to host the international nuclear fuel bank)- an offer Ahmadinejad appeared to welcome. Ahmadinejad said that Iran is awaiting U.S. foreign policy changes under President Obama. He denied any Iranian role in North Korea's ballistic missile launch, and said a regional currency should be established before launching a global one. He was vague on his plans for reelection. Nazarbayev said he hoped a consensus would be reached on Caspian delimitation at the Caspian heads-of-state summit in Baku. The press reported that enhancing economic cooperation was a top agenda item for the Ahmadinejad visit. END SUMMARY.

ASTANA ROLLS OUT THE RED CARPET FOR IRANIAN PRESIDENT

[1](#)2. (U) Iranian President Mahmud Ahmadinejad made his first ever official visit to Kazakhstan April 6-7. His delegation was welcomed upon arrival at Astana Airport on April 6 by Minister of Transport and Communications Abalgazi Kusainov and Deputy Foreign Minister Nurlan Yermekbayev, after which Ahmadinejad travelled to the Ak Orda)- Kazakhstan's White House)- for a formal welcome ceremony with President Nazarbayev, other government officials, and the foreign diplomatic corps (minus the U.S. Ambassador). Nazarbayev and Ahmadinejad then had a bilateral meeting (see refs A and B). This was followed by a joint press conference (see para 4-11 below).

13. (SBU) The next day, April 7, Ahmadinejad laid a wreath at the &Defenders of the Motherland& eternal flame -) a Great Patriotic War (World War II) memorial -- and planted a tree along &Heads of State Avenue.& He also delivered a speech at Eurasia University, after which he engaged in a brief question and answer session with professors, teachers, and students. Eurasia University,s Head of Protocol told EmbOff that Ahmadinejad spoke on international cooperation and the importance of education, but, from his perspective, did not make any very controversial remarks. (COMMENT: EmbOff saw Ahmandinejad,s motorcade, which she described as very much resembling a U.S. government one in size and appearance. Most of the cars were black Chevrolet Suburbans)- though we presume those were the vehicles of the Kazakhstani security personnel, and were not brought into the country from Iran. END COMMENT.)

&FRATERNAL AND CLOSE& RELATIONS

14. (U) The press reported that in their bilateral meeting, Nazarbayev and Ahmadinejad discussed a wide array of issues, including the Middle East, Afghanistan, nuclear non-proliferation, the development of peaceful nuclear energy, economic cooperation and trade, and the global financial crisis. During their press conference following the meeting, Nazarbayev said that &due to its political and economic potential, Iran plays a key role, not only in the Islamic world, but also in the international arena.& Ahmadinejad called relations between Iran and Kazakhstan &fraternal and close& and said they have a &wonderful future.& He emphasized that in their meeting, he and

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Nazarbayev had discussed &bilateral issues related to trade, investment, transport, energy and agriculture, as well as regional and international questions, and that Iran and Kazakhstan have very close positions on all the issues discussed.&

NAZARBAYEV STRESSES RIGHT TO PEACEFUL NUCLEAR ENERGY

15. (U) At the press conference, Nazarbayev also stated that &Kazakhstan has always stood for establishing peace in our part of the world. We discussed the nuclear agenda in this context. We believe that Iran as much as any other country in the world has a full right to peaceful nuclear power.& He added that &Kazakhstan supports the declaration made by the Presidents of Russia and the United States in London on the reduction of nuclear arms in their countries.& Nazarbayev also welcomed President Obama,s April 5 speech in Prague, and praised Obama,s readiness for dialogue with Iran based on mutual interests and mutual respect, and said &this would be a reasonable solution in the region.&

AHMADINEJAD WELCOMES KAZAKHSTAN,S OFFER ON NUCLEAR FUEL BANK

16. (U) At the press conference, Nazarbayev also made an offer to host the Nuclear Threat Initiative,s IAEA-administered international nuclear fuel bank (see refs A and B). &If a nuclear fuel bank for nuclear energy were established, Kazakhstan would consider the possibility of having it located here, in a country which has signed the Nuclear Non-Proliferation Treaty and voluntarily gave up nuclear weapons,& Nazarbayev explained. In response, Ahmadinejad said, &The proposal of the President of Kazakhstan regarding the establishment of a nuclear fuel bank is good.& He added, &Any country that has on its territory uranium reserves and enrichment technology can turn itself into a nuclear fuel bank.&

LOOKS FOR U.S. FOREIGN POLICY CHANGES

17. (U) Ahmadinejad said at the press conference that &Tehran is waiting for Barack Obama to change Washington,s foreign policy to an equitable dialogue between the United

States and other countries.⁸ Ahmadinejad criticized the Bush administration and its foreign policy, and said &everybody knows that the ideas and policy of Mr. Bush did not lead anywhere and led into deadlock.⁸ Ahmadinejad noted, &When Mr. Obama was elected President of the United States of America, I sent him a letter. We hope that his will is to reform and change U.S. policy, and that he will succeed in doing so. We welcome U.S. changes and reforms)- and wait. We believe that fundamental changes are necessary: respect for other nations, respect for the people,s rights, turning away from expansionism, and committing to justice.⁸ When asked about his attitude towards Obama, Ahmadinejad told reporters, &We did not call anyone Satan or Devil. In this regard, people,s personalities are not important to us. We are against satanic and devilish behavior. We are against war and violence, and we believe that is devilish behavior. We hope the new U.S. president will be successful in making many changes. President Obama has said that he will soon announce his policy specifically with regard to our region. We hope that we will observe the changes in his policy.⁸

DENIES ROLE IN DPRK MISSILE LAUNCH

¶8. (U) Concerning North Korea,s Taepo-Dong-2 launch, Ahmadinejad denied Japanese media claims that Iranian specialists had helped the DPRK on its ballistic missile efforts. The Iranian President said that he was unaware of

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any foundation for the Japanese press report, and that if he was not aware of it, it must be false.

SUGGESTS ESTABLISHING REGIONAL CURRENCY

¶9. (U) Regarding Nazarbayev,s proposals to establish single regional and global currencies, Ahmadinejad told the press, &We hail the proposal to create a single regional currency before launching a global one. To create a single global currency we need first to prepare the ground and infrastructure. To do this we need to create a fair international financial system, and new international financial and economic principles. Only then can the single international currency operate properly in that fair system.⁸ According to Ahmadinejad, the recent Tehran summit of the Economic Cooperation Organization &included this issue in its final document.⁸ Ahmadinejad also said that &through joint efforts we will manage to neutralize the impact of the financial crisis and strengthen regional economic cooperation.⁸

VAGUE ON RE-ELECTION

¶10. (U) When asked if he planned to run in Iran,s upcoming election, Ahmadinejad stated that elections would not begin for a month, therefore, &there is still time to decide that question.⁸

NAZARBAYEV SUGGESTS COMPROMISE ON CASPIAN DELIMITATION

¶11. (U) At the press conference, President Nazarbayev also expressed the hope that a consensus on delimiting the Caspian sea would be reached at the summit of leaders of Caspian littoral states to be held in Baku later this year. He suggested establishing a 20- to 25-mile sovereign zone in the Caspian as a &compromise solution.⁸ He also suggested imposing a 10-year moratorium on sturgeon fishing in the Caspian. Ahmadinejad was not reported as having made any comments on these issues.

KAZAKHSTAN AND IRAN ENTHUSIASTIC ABOUT EXPANDING TRADE

¶12. (U) Regarding economic cooperation, the press reported that during Ahmadinejad,s visit, the Kazakhstani side encouraged Iran to invest into infrastructure, transport, and communications in Kazakhstan. Nazarbayev and Ahmadinejad agreed that the Kazakhstan-Iran Intergovernmental Commission

on Trade and Economic Cooperation and the Kazakhstan-Iran Business Council will continue to play key roles in enhancing bilateral economic and commercial cooperation. Kazakhstan,s MFA announced that Kazakhstani companies are interested in joint projects with Iran -- and specifically, that the Eurasian Financial and Industrial Company (EFIC) is interested in participating in the privatization of several Iranian metallurgical and aluminum plants. According to the MFA, Iranian companies are also considering an agreement to purchase up to 50,000 tons of grain from Kazakhstan, and Kazakhstan,s Prodkorporazia plans to begin constructing a grain terminal and mill complex at Iran,s Amirbad port in [2009](#).

HOAGLAND